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Pace & Pace

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# The PACE STUDENT

Vol. IV

New York, March, 1919

No. 4



O one who has had experience in grading papers submitted by students in answer to set examinations, the fact that the average student is unable to frame accurate definitions stands out very clearly. All too frequently, the answers to questions show that the student has some vague acquaintance with the ideas which he is laboriously attempting to express, but that his knowledge is dim, uncertain, and hazy.

Obviously, there is something wrong somewhere. It is easy, however, to criticize. The world is full of critics. Criticism should be constructive, not destructive. Nothing is gained by pointing out to a student defects in his work which he is only too ready to concede, but which he admits himself powerless to correct. Greater discouragement will be the portion of such a student, unless some remedy is suggested.

It is the purpose of this article to offer a few practical suggestions to enable students to answer quizzes accurately, concisely, and correctly. Carlyle rather brutally says: "Speak not, I passionately entreat thee, till thy thought have silently matured itself, till thou have other than mad and mad-making noises to emit; hold thy tongue (thou hast it a-holding) till some meaning be behind, to set it wagging." In these words, Carlyle exposes the root of the evil of inaccurate expression. He tells us not to speak until we know exactly what we wish to say. We know only what we know clearly. Half knowledge is often worse than no knowledge at all.

In answering a question submitted in examination, a student should first see his way through the question. He should ask himself

just what the underlying thought of the question is. To a question on a law quiz, as to the meaning of *artificial person*, one student answered: "An 'artificial person' is one who acts in an artificial or effeminate manner." Another student very solemnly said: "The 'Law Merchant' is a person who presides over matters in dispute between merchants and mariners throughout the civilized globe." These students had not permitted the thought of the question to mature in their minds, or they had not tried to get the thought out of the language of their text lecture.

What remedies, then, may we suggest to correct these weaknesses? *Seek the salient thought in the wording of your question, in the wording of your text, in the wording of your answer.* Seek first the salient thought in the wording of the question. Read the entire question through with care before you attempt to answer any part of it. You will often find that the end may throw some light on the beginning. Read and underline *thought words*. In a question of ten words, three are likely to

convey the thought. Do not waste time on the others.

But before you can get the salient thought out of the question, you must school yourself in seeking the salient thought in your text. Failure to do this is a root-cause of looseness of thought in answering questions, for you will have no clear-cut ideas in your mind wherewith to answer them. Students read through the concise exposition of law, as set forth in the text lecture, without stopping to inquire if they fully grasp the author's meaning. This bolting of ideas crowds the mind with an undigested mass of half-known facts. Here, again, the habit of *underlining thought words* in the text will ob-

*The Art  
of  
Defining*

by  
James D.  
Hines,  
A.B., LL.B.

## LEADING ARTICLES

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viate vagueness and inaccuracy of thought when one faces a quiz.

Bear in mind that every paragraph has a central, unifying thought. The mind looks for this thought, not for mere words. When you have underlined the thought words on a page, close your book and try to recall and to develop clearly, in your own words, the central ideas expounded by your author. Very frequently, you will find that the mind has grasped no very well defined idea at all. Surely, if you can not recall the salient thought immediately after studying your text, how can you hope to express that salient thought a week later when answering a quiz?

If, then, you have the exact thought of the question, if you have absorbed clear-cut ideas from the text lecture, you are now ready to write your answer to the quiz. But in writing your answer, limit it to the salient thought which the question seeks. Do not be led afield into the development of an idea which is suggested by the question, but which does not fit in with the central idea which your answer aims to bring out.

The form, too, of the answer deserves careful consideration. Answers should be expressed in complete sentences. Many students invariably set forth their answers in single words, phrases, or clauses. In building longer answers, use paragraphs for the purpose of keeping various related ideas in some definite order. The paragraph might well set forth in a topic sentence at the outset the gist of the idea which is amplified and developed in the paragraph.

Give some thought to the mechanical arrangement of your paper with a view to neatness and balance. The answers will be read with greater care, and will be more readily apprehended, if you make a practice of leaving a three or four line space between your answers.

Finally, after completing your answers to the quiz, you should carefully scrutinize your completed work for the purpose of discovering errors in thought or errors in form. It is a chastening thought for you to realize that since the fall of Adam man has been imperfect and subject to error. Hence, you should reread the questions and reread your answers thereto to satisfy yourself that you have hit the bull's-eye, and not merely struck within the circle.

*Ameri-  
canizing  
Educa-  
tion*

**A**REPORT has just been issued by the United States Bureau of Education entitled, "Cardinal Principles of Secondary Education." The commission which prepared the report believes that members of a democracy should be given every opportunity to develop

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their own personality through those activities which contribute to the well-being of the members of society. They believe that secondary

education should be aimed at such objectives as health, vocation, and citizenship. "Intellectual discipline," as an end in itself, is of secondary importance.

It is held by the commission that a certain amount of secondary education is essential for all the young people of a nation, whether or not they are employed. It urges that legislation be enacted, so that all young people shall be compelled to attend some secondary school for at least eight hours each week that the schools are in session. "Such part-time or continuation education should not be exclusively vocational. It should be conducted in comprehensive high schools, rather than in separate continuation schools as is the custom in less democratic societies. By this plan, the American high school can become uniquely American, welding by its influence all young people of the community into one civic whole, thus becoming a living embodiment of the unity which should overthrow all diversities within the body politic."

The commission does not favor highly specialized high schools, such as have been the rule in Germany, where every effort seems to aim at the elimination of all those students who can not keep the pace, and at the development of a highly specialized training for the few who possess exceptional ability. It favors such schools and curricula as will give all students an equal chance to develop their abilities along many and broad lines.

The Germanic system of education has developed technicians highly trained in certain specific subjects, but utterly devoid of the power to view all things in their proper perspective. It is essential that the citizens of a great democracy possess this ability, and it bodes well for the future that those in charge of the educational destinies of this country are taking steps so that all boys and girls are to be given the benefits of a broad, comprehensive, secondary school training.

*Many a man will consume his energies trying to figure out a way of escaping his just obligations. The same amount of effort properly applied would often earn sufficient to pay off the obligation and leave a surplus.*

*Let's all keep industry humming by working together, employers and employees, in harmonious co-operation.*

U. S. LABOR DEPARTMENT.

# Biographical Snap Shots

## Men Who Have Made Good



**A**LMOST every Pace graduate, after allowance is made for a year or two of economic adjustment, becomes a proper subject for discussion in connection with studies of men who are making good in business or in the professional practice of Accountancy. Three Pace graduates, selected almost at random from the entire list, whose business careers lend themselves to profitable analysis and comment, are C. B. Mount, Jr., W. C. Rowland, and Bernard Siegall.

Charles B. Mount, Jr., who is still under thirty, is auditor for Nestlé's Food Company, Inc., New York. Mr. Mount was born in Brooklyn, and after completing public school, was graduated from the Manual Training High School in 1912.

After graduating from high school, Mr. Mount became assistant business secretary of the Central Y. M. C. A., Brooklyn. This position he filled till March, 1914, when he became associated with the Boss Manufacturing Company, of New York, as cost accountant. A little over a year later, he joined the professional accounting staff of Ernst & Ernst. After a year's experience in public accounting, he entered the employ of the American Bank Note Company, Ottawa, Canada, as cost accountant, resigning this position in February, 1917, in order to become auditor for Nestlé's Food Company. He is now with Haskins & Sells.

Mr. Mount's rapid advancement has been due in no small degree to his mastery of Accountancy shortly after his graduation from high school. He completed the Pace Course at the Brooklyn Institute of Accountancy in June, 1915, making a notable record for scholarship. During this time, he cast about for an opportunity to apply his knowledge, with the result that he soon won favorable notice as a young accountant of unusual ability.

Mr. Mount is a valued member of the faculty of Pace Institute, where his lectures on Accounting and allied subjects are models of clarity and authoritative thinking.



**W**ILLIAM C. ROWLAND, C.P.A., is a Pace graduate who has had a varied business experience, each phase of which has pointed the way to further advancement and success. He is senior member of the Accountancy firm of William C. Rowland & Co., Detroit, Mich.

Mr. Rowland was born twenty-eight years ago in St. Thomas, Ontario. He received a public and a high school education there. He then took one year in the Detroit College of Law. Foreseeing the demand for Accountancy-trained men, he enrolled in the Pace Course at Detroit Technical Institute, completing the full course some two years later.

While Mr. Rowland was studying at night, he was also filling a business position by day—a set of circumstances which are often found to be the case in connection with the lives of many men

who, because of ambition, have determined to compel success. After leaving school, Mr. Rowland entered the employ of the Grand Trunk Railroad, at St. Thomas. Eventually, he became secretary and division superintendent, a position which he had for three years. He also was employed for short periods of time by the Kelowna Irrigation Company and by the Producers' Rock and Gravel Company, both concerns being situated at Victoria, B. C.

Mr. Rowland had now come to realize the desirability of securing technical experience as an accountant. Accordingly, he joined the Accountancy staff of Gilbert L. Hughes, Victoria, B. C. Then he entered the employ of A. W. Ehrman & Company, of Detroit, where he remained nearly three years. His next connection was with the Detroit Trust Company. After two years with this concern, he entered the professional practice of Accountancy on his own account as a member of the firm of Dodson, Burnett & Rowland, which six months later became the firm of William C. Rowland & Company.

Mr. Rowland, in June, 1914, was awarded the degree of C.P.A. by the state of Michigan. He is a member of the American Institute of Accountants and a member and a director of the Michigan Association of Certified Public Accountants.



**B**ERNARD SIEGALL was graduated from Pace Institute, New York, in February, 1918. To-day he is chief accountant, auditor, and credit manager for the Essex County (N. J.) Agency of the Kelly-Springfield Tire Company—a responsible position for a young man who is only twenty-three years old.

Mr. Siegall was born in Orange, N. J., in February, 1896. He graduated from the West Orange Public School and spent two years at the West Orange High School.

His first business position was as news agent with the Union News Company, of New York. Here he remained for three years. His next position was with the Powers Accounting Machine Company, New York. Then he entered the employ of the Casualty Insurance Company, New York. Next, he secured a clerical position with the United States Galvanizing Company, Brooklyn. After a brief connection with this company, he accepted an opportunity with the K & C Trading Corporation, New York, where he remained for two years. He then secured temporary employment with the Travelers' Insurance Company, resigning this position to accept his present position with the Kelly-Springfield Tire Company.

Mr. Siegall attributes much of the business success which is beginning to come to him to his thorough training in Accountancy at Pace Institute. One thing is sure—the fact that whenever a business opportunity came to Mr. Siegall, he could accept it, because he was prepared for it.



N these days, the casual reader is constantly confronted with stories

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of Bolshevism and radical movements of every kind and character. These movements are founded in every instance upon the same principle. That principle may be stated as being the organization of government as to industrial classes. So far as these movements make any pretense of being founded upon a system, the system is based upon this principle.

Generally speaking, types of government may be divided into three broad classes: Autocracies, which have for their basis government by classes; Bolshevism, Socialism, and other radical departures, which likewise have for their basis government by classes; and Democracies, more accurately the republican form, which have for their basis government regardless of class distinctions.

Strange though it may seem, the pure democracy illustrates the danger of government based upon class distinction. For in the pure democracy, as distinguished from the republican form, a majority always rules. In no single instance in the history of the world has a pure democracy survived.

Although the majority may rule under the republican form, yet there are safeguards for the minority. Perhaps a recent example of the necessity of guarding the rights of a minority is afforded by the changes in the initiative and referendum. These two movements were based upon the so-called introduction of more democracy into our form of government. States which adopted these expedients soon discovered that the more populous sections of the state might formulate rules which were onerous and unjust to the more sparsely settled communities. Accordingly, not only a majority was required, but also a given proportion of voters in various sections of the state, in order that a law might be made effective or revoked through the initiative and referendum. Thus it was that even the initiative and referendum movement was compelled to recognize the rights of a minority.

Practically the same issue arises respecting any government founded upon industrial classes. Is government to be a constant conflict between the selfish interests of different classes of a community? Does not the duty devolve upon every citizen to make his influence felt in the formulation of laws on the basis of right and of justice, rather than on the basis of his selfish interests?

Do not suppose that people to-day vote ex-

clusively upon the basis of selfishness. Some men who were total abstainers opposed the recent prohibition movement. These men ar-

gued that while they did not drink themselves, they did not believe in preventing others from drinking. Other men who drank favored the prohibition amendment. These men said that although they enjoyed an occasional drink, they believed that prohibition was a good thing for the community at large. Throughout the war, many men were opposed to some of the things that were done, but kept their peace because they believed that the best interests of the country demanded that there be an absence of dissension.

Nor can it be said that men in all cases lay aside selfishness in their political views. This is not to be expected—men are but human. At the same time, it can hardly be argued that through the development of "class consciousness," voters should be encouraged to decide every conceivable public question on the basis of their selfish interests.

America has been distinctively a country which has opposed class rule; and in this respect, America has been practically unique among the powers of the world. No other country has so consistently discouraged political parties based upon class distinctions. Never has a labor party succeeded in getting a foothold in American politics. The same may be truly said of a capitalistic party. America is the champion of self-government, as distinguished from selfish government. Let it be hoped that America will never fall into the error of reverting into a government by classes, regardless of the character of the classes.

**J**USTICE MILTON STRASBURGER, of the *Public* Municipal court of the District of Columbia, *Opinion* was recently explaining to some of his students, *and* at the Pace Institute, Washington, D. C., how *Law* public opinion becomes crystallized in the law. To illustrate his remarks, Justice Strasburger cited the recent prohibition amendment to the Constitution.

That night the class had been discussing how rules of law reflect the customs and usages of communities and nations. The class had been considering the first lecture in the principles of law, and particularly the common law.

Justice Strasburger pointed out that the recent prohibition amendment is the outgrowth of a very scientific cultivation of public opinion. A minister in Ohio is responsible for the beginning of the movement. He did not go to large communities in the first instance, but confined

himself to small towns. In the small town everybody is acquainted, the "town drunk" is known to every one, so that the ravages of intemperance are more readily appreciated than in the larger cities. From the small town, the movement spread to the county, and from the county to entire states.

Nor was the movement started in the East. It was started in the Middle West, a section which is more ready to adopt changes than the more conservative East. From the Middle West it spread to the South, where the element of negro labor is an important factor. Regardless of the opinion which any one may hold respecting this amendment, it can not be denied that it is the outgrowth of the skilful creation of public sentiment in favor of prohibition, with a fine regard for the principles of national psychology.

In this connection, it is interesting to note that William Sunday followed much the same lines. He began his meetings in small communities, and for the most part in the West. Gradually the extent of the campaigns was enlarged, until within the last few years, he has done most of his work in the larger cities of the East.

During the war, numerous examples were afforded of the development of public sentiment. Gradually, but surely, the Nation was awakened to the needs of the hour, and at the termination of the war, the full might of America was being thrown into the conflict.

Just as in the war public sentiment was galvanized into action, so the rules of law may be regarded as the concrete expression of public opinion. Should public opinion fail to back up the law, then the law becomes a dead letter. If you should feel that you are opposed to the more fundamental of legal rules, it should be remembered that they exist by reason of the force of public opinion.

Newer  
Organiza-  
tion  
Types

THERE has been a marked tendency in recent years toward a variety of types of business organizations. The three basic types are the corporation, the partnership, and the sole proprietorship. As between these, there are various types partaking more or less of the various features of each of the basic types. There are two principal distinctions between the corporation and the partnership. The first is, that in the corporation, the liability of the investor is definitely limited, ordinarily to an amount equivalent to the par of the stock he holds. On the other hand, in the ordinary partnership, the investor may risk his entire fortune. Furthermore, the corporation continues

despite the changes in its membership, whereas the partnership is ordinarily dissolved by virtue of such changes.

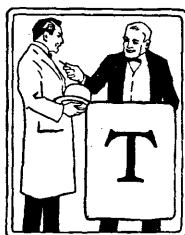
Generally speaking, the joint-stock company has the corporate attribute of continuity, but, like the partnership, does not have the feature of limited liability. On the other hand, the limited partnership has the element of limitation of liability without that of continuity.

There is a form of limited partnership which has the feature of transferability of shares. Even in this form, however, there is not usually the full benefit of continuity. Although the share may be transferred, without resulting in the dissolution of the partnership, yet the person to whom it is transferred may acquire no control in the operations of the partnership. In other words, this is nothing more nor less than a transfer of the property right, and of the right to receive profits without the right to participate in the affairs of the partnership.

Perhaps the form of business organization which has had the most growth in recent years is the trust. Under the trust form, the legal title to the property is vested in trustees. These trustees issue certificates which are of the same nature as stock-certificates. These certificates may be transferred from hand to hand, so that the organization continues to exist in spite of changes in its membership.

The beginning of the trust form may be attributed to certain restrictions which are imposed upon corporations by state statutes. In order to engage in certain lines in which they were not permitted to engage, corporations organized a trust. The stockholders became the shareholders in this trust, so that for all practical purposes, each of the organizations had the same proprietors.

These various types illustrate just how far business promoters will go for the utmost of advantage with the minimum of restrictions and obligations, as to business organization. Certain burdens and restrictions are incident to the corporate form. The transferability of shares may be desired, and the limitation of liability is deemed unimportant, in which case a joint-stock company may be organized. If limitation of liability is the main consideration, and continuity secondary, then one of the forms of limited partnership may be selected. Assuming restrictions in the corporate form, as to the exercise of powers, and that the proprietors are not concerned with direct participation to a large degree, then the trust form may be adopted. Thus it is that the legal forms of organization conform to the needs of commerce and industry.



THIS Department does not publish answers to all of the questions received, but only to those which we deem to be of general interest to our readers. A communication, in order to receive attention, must contain the name and the address of the person asking the question.

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retired, would be charged to an Interest on Bond Account, but would be credited to a Trustee's Income Account, and the credit in the Trustee's Income Account would offset the debit in the Interest on Bonds Account. If the bonds were retired, there would, of course, be no interest charge and no interest credit.

Sinking  
Fund  
Reserves

**Q** AS I understand a sinking fund to be a mere change of asset, and not a diminution thereof, should a reserve be set up for a sinking fund? If so, upon what theory is it chargeable to Profit and Loss; and by so doing, is not the Profit and Loss Account understated?

**A** A "sinking fund" is an accumulation of assets, transferred, or converted, from other asset forms. The "setting up" of a reserve is not the setting up of a fund. A "reserve" is nothing more nor less than a transfer of a certain portion of the credit balance of the Profit and Loss Account, or of the Surplus Account, to a special Profit and Loss Account, or to a special Surplus Account, specifically earmarked and called a "reserve." This reserve is set up, usually, to show that surplus for general purposes has been decreased to the extent of the amount reserved. In other words, when the sinking fund is set up, it automatically removes from the general use of the organization the amount of the fund; and it becomes desirable to remove from consideration as free surplus an equal amount.

**Q** ASSUMING one hundred thousand dollars is borrowed for twenty years for the purpose of erecting a manufacturing plant, and a sinking fund is established to redeem the bonds at maturity, and that three years later ten thousand dollars of the bonds are repurchased and made part of the sinking fund, should the repurchased bonds be canceled or left outstanding, and the interest thereon applied to the sinking fund? If the bonds were canceled, would not the account be incorrectly stated in subsequent years, in view of the fact that these subsequent years would be relieved of interest charges on the canceled bonds?

**A** It is correct either to carry the bonds as assets in the sinking fund, or to cancel them. Whether the one procedure or the other were adopted would depend entirely upon the trust agreement under which the fund is set up.

Whether the bonds are held in the sinking fund or whether they are retired would have no effect upon the accounts in subsequent years. The interest on the bonds, if the bonds were not

**W**HAT is meant by the term "cash basis of accounting" and the term "accrual basis of accounting"?

**A** The "cash basis of accounting" refers to the method by which expenses are not considered as "expense" until they are actually paid in cash, and income is not considered "income" until it is actually received in cash.

The "accrual basis of accounting" is a method used when it is desired to consider as expenses all items of cost or expense accruing during a particular period, whether they are actually paid in cash during the period or whether they are outstanding as liabilities at the end of that period. It also considers as "income for a period" all income which accrues during the period, whether the income be realized in cash or whether it be outstanding in the form of accounts receivable at the end of the period.

The law would consider profits as "profits" only at the time they are converted into cash, while for operating reasons it is usually found more practicable to work on the accrual basis.

**I** AM employed in a printing and stationery house that has its own printing-plant and stationery stores. We get orders that have to be linotyped and ruled outside of our plant, although we do the printing. Should these outside costs be charged to Printing Purchases, or should they be kept separate? We also buy paper and envelopes in quantity, some of which are used to fill printing orders and some sold blank in the store. These are all charged to Printing Purchases Account. Should any record be made of the cost of those sold by the store? Also, we get orders for stamped envelopes and postal cards which we buy, but which, when due, we credit to sales. Is this right?

**A** It would probably be better to raise a separate account for these outside costs of linotyping and ruling. In regard to the stationery used on job-work, and for sale in the store, it would be good policy to credit the Purchases Account and charge the store for the cost value of the supply turned over to the store for sale.

In regard to the stamped envelopes and postal cards, there is no objection to crediting them to the Sales Account. It would be well, however,



**Question** to charge them to a separate account when purchased. The Sales Account, minus this separate purchases account, would record the net selling-price of the material in just the same way that the gross sales, less freight and cartage out, would record the net selling-price of merchandise.

(Continued)

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Profit and Loss Statement, the credit balance of the Indemnity Account would be deducted from gross purchases, just as returned purchases and allowances would be deducted.

The theory of insurance is that it is an indemnification for losses sustained. If the amount is credited to the Sales Account, or to a Returned Sales Account, the insurance collected would be given effect in the account as though it were an original transaction. This is incorrect. Merchandise for which indemnity was received was never sold, and theoretically, at least, the insurance collected represented merely the cost price of merchandise destroyed.

**Q** OUR Balance Sheet shows a surplus of sixty-five thousand dollars. Our directors decided they would not declare dividends, but ask the auditor to decrease the surplus by investing in railroad bonds to the amount of fifty thousand dollars. Our Balance Sheet already shows seventy-five thousand dollars in bonds. What effect will the carrying out of the directors' order have upon the surplus of sixty-five thousand dollars?

**A** The question can best be answered by a practical illustration. Suppose your Balance Sheet were as follows:

Assets	Liabilities
Cash .....\$100,000	Accounts Payable\$ 25,000
R. R. Bonds .... 75,000	Capital Stock ... 285,000
Other Assets .... 200,000	Surplus ..... 65,000
\$375,000	\$375,000

Surplus is merely excess of assets over liabilities and capital stock combined. To take fifty thousand dollars cash and buy fifty thousand dollars' worth of bonds results only in transferring the assets from one form to another, and the Balance Sheet would then appear as follows:

Assets	Liabilities
Cash .....\$ 50,000	Accounts Payable\$ 25,000
R. R. Bonds .... 125,000	Capital Stock ... 285,000
Other Assets .... 200,000	Surplus ..... 65,000
\$375,000	\$375,000

The purchasing of bonds would have no effect on the Surplus Account. What it would do would be to put the assets in such form that they might not be readily converted into cash for use in paying dividends.

**Q** WE recently had a fire, and collected three thousand dollars from the insurance company. Should this three thousand dollars be credited to the sales? It seems to me if we credit sales, we are overstating our sales by that extent.

**A** The three thousand dollars collected from the insurance company should be credited to Purchases Account, or preferably to a special account, such as Insurance Indemnity on Damaged Stock. In the latter case, when preparing the

**A** COMPANY was incorporated under the laws of the state of New York. The number of shares of capital stock that may be issued is three hundred, all to be common stock with no par value. Three subscribers have taken seventy-five shares each, or two hundred and twenty-five shares in all, and have paid twenty dollars a share. The remaining seventy-five shares were issued to a man who was appointed sales manager because of his knowledge of the business and the trade he could command. Please furnish me with opening entries, and let me know whether the Capital Stock Account can be set up at thirty thousand dollars, thus assuming a par value of one hundred dollars a share.

The object of allowing capital stock to be issued without par is to get away from showing arbitrary and often fictitious balances for investment on the books. To set up the capital stock at thirty thousand dollars would be to defeat this object.

The opening entry will be as follows:

CASH ..... \$4,500  
To CAPITAL STOCK ..... \$4,500

To record sale of two hundred and twenty-five shares of capital stock at twenty dollars a share as follows:

A—75 shares  
B—75 shares  
C—75 shares

GOOD-WILL ..... \$xx  
To CAPITAL STOCK ..... \$xx

To record issuance of seventy-five shares of capital stock to D in consideration of his contract of employment, etc., per minute-book folio.....

In order to price up the seventy-five shares issued to D, it would be necessary for the directors to hold a meeting and set the price at which they value the good-will D can command.





EDUCATIONAL achievement—all achievement, indeed—is predicated upon the grasp and application of four major concepts, which, for the sake of force, may be expressed in the imperative mode:

**Educational Achievement** *Decide.* Most normal persons know, in Shakespeare's phrase, "what were good to do," and what, in fact, they must do, in order to secure the general and specific development which is a prerequisite to business and professional success. But they procrastinate; they keep putting off making a decision. Time goes on; the months and even the years fly by; and they are no nearer the goal of their latent purposes than they ever were. They are passed and often distanced in the race for advancement.

*Start.* After a decision has been reached, the next thing to do is actually to begin the program of training. Decisions are worthless unless they find expression in dynamic, immediate action. The connection, logical and psychological, between deciding upon a course of training and acting upon it at once is very close—the one supplements and bulwarks the other.

*Stick.* The world is full of good beginners but poor finishers (one and the same group of persons usually). It is easy to permit distractions—social, business, and the like—to throw us off our educational stride. It is easy to make excuses for the non-fulfilment of our plans and programs. When we begin to do that, it is high time that we appraised our courage and our will-power—qualities that sticking to a thing presupposes.

*Finish.* It is better, of course, to quit at the three-quarter post than at the one-quarter post. Still, quitting is quitting, wherever it occurs. The deteriorating effect of failure to attain the goal that has been set is obvious. It pays so to husband our mental resources and so to systematize our time that, aside from unexpected illness, we finish what we begin, and on time if humanly possible.

Therefore, as regards educational development, let us bear vividly and constantly in mind

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the importance of doing four things in logical sequence—deciding upon what we intend to do, beginning our program, sticking to it, and finishing it (*on time*).

WHAT, broadly speaking, is likely to be the future of women in industry, now that our Army and Navy are being demobilized and young men in large numbers either are resuming their former duties in commerce or are seeking new business connections? Are women likely to be crowded out of the industrial positions which they have, in the main, been filling with great credit to themselves and to their employers? Or is there reason for believing that, when once industry and commerce have become stabilized, women will be accorded the same economic opportunities as they had during the war?

In seeking the correct answer to these questions, let us examine certain sets of facts. In the first place, we are just now passing through a trying period—the period of transition, as regards our industries, from a war-time to a peace-time basis. In many quarters, because of uncertainty regarding the attitude and plans of the Federal Government and for other reasons, capital is somewhat timid, and many industries are, for the time being, marking time. There is a temporary tendency to curtail operating expenses,

which means, of course, that many persons seeking employment are unable to secure it at once. Then, too, thousands of men who have just been discharged from the Army and the Navy are either remaining in the large centers of population or are going to them on the assumption that there they will find the best business opportunities. These are some of the reasons why the country seems to be confronted with a serious employment problem.

Leading business men and economists, however, are pretty well agreed that this condition is but temporary; that very shortly—within a few months, indeed—industry and commerce will develop and go forward on an unprecedented scale; and that, consequently, large numbers of trained workers, especially those who have mastered business as a science, will be imperatively needed. And this prophecy is made

### THE PACE STUDENT

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*Future  
of Women  
in  
Industry*

with equal reference to both men and women.

Therefore, as respects the connection between an oversupply of workers and opportunities for women, there seems to be no real reason why women should become disheartened. They have demonstrated their capacity to do important work; they have made their influence felt in all lines of industry; and the prejudice that formerly existed in favor of the employment of men is rapidly disappearing. Nowadays, it is the matter of training, preparation, and experience rather than the matter of sex that receives first consideration from a prospective employer—a change of view-point which the war and its attendant problems have largely brought about.

Lastly, there is little reason for assuming that the continuance of large numbers of women in industry will result in a lowering of salaries or wage scales. "It is a fundamental fact that there is no limit to the demand for the products of labor; indeed, all our social unrest is because people want more things than they are able to buy. The problem is to increase the purchasing power of the people and at the same time increase the supply of the desired things, and to give woman work in industry accomplishes both these desired ends. If a woman who has not been a money-earner becomes one, or if a woman is advanced to work of higher pay, she becomes a more potential buyer in the markets and creates a new demand for goods, which offsets her labors and her competitive influence in the wage-earning field."

The facts, therefore, seem to indicate that women are destined to play an increasingly important part in industry and commerce from now on, and that their commercial services will react not only to their own advantage, but to the advantage of the men who are now in business or who are just entering business. This is a sound economic as well as a sound ethical conclusion.

**Accurate Cost Records** **T**HE necessity of setting up and keeping accurate cost records has begun to dawn upon the farmers of the country. During the recent struggle between the dairymen and the milk distributors of New York state, the dairymen submitted the results of a new system of cost determination as proof that they should get an increase in price for their milk and milk products.

Thus far the system does not seem to have been fully worked out. The distributors frankly do not accept the accuracy of its findings. The public is somewhat mystified by the whole thing,

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and is in a rather disagreeable temper at the high price of milk. Even the dairymen themselves can not afford to be cocksure about their

costs, for not long ago Secretary Houston made an address in which he confessed that he was "by no means satisfied with the work of the Federal Department of Agriculture's office of farm management relating to studies of costs of farm crops."

All this, though, is in a sense beside the mark. The point is that at least a beginning has been made in establishing a scientific basis of cost finding in reference to our agricultural interests. Since the need of cost determination is coming to be recognized by farmers and dairymen, it is reasonable to assume that in the near future a system will be devised which, because of its provable accuracy, will merit the approval of the distributors and the purchasing public.

**F**ACE the facts. One reason why many persons never get ahead very far is that they blink actualities, coloring and modifying them with prejudice and emotionalism. Such men and women see only what they wish to see and think only what they wish to think; they grasp half-truths and arrive at half-conclusions; then they wonder why the inexorable logic of events works to their eventual undoing as respects material success and general satisfaction with life and its hard-won gifts.

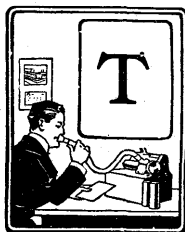
The fact-dodger becomes a drifter, a believer in the Micawber-like doctrine that eventually "something will turn up" that will keep him off the shoals and reefs toward which his unwillingness to see things as they are is relentlessly driving him. Illustrations of fact-dodgers abound: there is the man who lives beyond his means; there is the man who makes a business connection for to-day's salary rather than for tomorrow's opportunity; there is the man who never bothers to keep physically fit and sound; there is the man who runs his business with little regard to building up good-will—all these types of persons (and many others, for that matter) are riding toward disaster because, though "having eyes, they see not."

Let us have done with this craven-spirited way of meeting life and grappling with its problems and perplexities. Let us view every matter that bears upon our well-being in terms not only of all the facts that do exist, but also of all the facts that inevitably will exist with the passing of time. Doing this, we shall have fewer reasons than we now have for repining at the buffets and scourgings of what we like to call "luck" or "fate."

*Face Facts*

# Profit and Loss Statement

Charles T. Bryan, C.P.A.



HE accountant in modern business, among other duties, fills two important positions—he is historian and he is adviser. He is historian in that the record maintained in the books kept under

his direction becomes the history of what business has accomplished in the past. He is adviser in that he is called upon to present statements and reports as to the results of business operation, and to interpret the facts, and from them to assist in working out plans for the future.

It is, of course, necessary that the record be accurate, since it is a basis upon which trade and settlement usually depend. It should show for the transactions, preferably on the basis of double-entry principles, the changes in the various assets and liabilities, and their effect on capital. Usually, however, it is not in such form as to make available for intelligent arrangement and study those facts which must be known. Provision must be made for their presentation in a more comprehensive, summary form.

For this reason, recourse is had to the preparation of statements—statements of progress and statements of condition. It will be found, in fact, that it is often for this sole purpose that books are kept. The statements, therefore, should contain all essential information, and should present this information in the clearest manner possible. Representing, as they often-times do, the sum total of the entire accounting effort, the accountant's reports and statements should bring to full productiveness the time and effort expended. If, however, all the information is not presented, or if it is presented in poor form, the statement may, in large measure, nullify whatever work has been done in connection with the accounts. It has been well said that a mediocre accountant who knows how to present in understandable form such facts as he may have developed is worth more to his client or employer than the accountant of wonderful mentality who is unable to present his findings so that they can be grasped by the layman.

Unfortunately, or fortunately, there is no set body of principles applying to statement construction similar to those which apply to making the original double-entry record. In keeping books, one must be governed by the rules of debit and credit—by an intelligent application and understanding of them, it is true, but by certain specific rules, nevertheless. In regard to statements, on the other hand, there is no such hard and fast formula, and the accountant must apply his own common sense to the par-

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ticular set of conditions with which he deals.

It will be found, however, that it is desirable, in the manufacturing and the trading enterprise, for certain facts to be known. These facts may be divided into the following classifications:

In respect to operations: sales, cost of goods sold, gross profit, miscellaneous income, expenses, net profit.

In respect to financial condition: current assets, capital assets, deferred charges and the like, current liabilities, long-time liabilities, capital, surplus (in the case of a corporation).

The purpose of this article is to discuss the statement of operations—the Profit and Loss Account. The statement of financial condition may be the subject of a later article.

The Profit and Loss Account may be defined as “a statement which shows the gross income or return from commercial effort, together with all costs incurred stated as an offset thereto, and deducting expenses; the excess, if of return over costs and expenses, being stated as the profit, and if of costs and expenses over returns, being stated as a net loss.”

One of the propositions in Practical Accounting in the most recent Certified Public Accountant Examinations held in New York State, January 28, 1919, seems to indicate that the Board of Examiners had in mind the importance of the intelligent construction of a Profit and Loss Statement. This proposition will therefore be used as the basis for a discussion of some of the points involved, and is as follows:

From the following, prepare these statements: Cost of Manufacturing and Gross Profit, Cost of Selling and Administration and Net Profit, Surplus Account.

Gross sales	Factory expense.
Return sales	Depreciation—tools
Trade discounts	Depreciation—patterns
Commission for purchases	Depreciation—machinery
Traveling ex. for buying	Repairs—machinery
Allowances	Increase in inventory
Cartage—outward	Selling commissions
Freight—outward	Salesmen's salaries
Raw material	Salesmen's traveling expenses
Freight—inward	Officers' salaries
Cartage—inward	Clerks' salaries
Productive labor	Telegrams and telephones
Storage—raw material	Postage
Unproductive labor	Collection and exchange
Income from real estate	Stationery and printing
Cash discounts gained	Bonding office employees
Insurance—tools	Directors' fees
Insurance—merchandise	Interest on bonds
Taxes—personal	Interest—general
Depreciation—patents	Upkeep, taxes and interest on real estate
Depreciation—furniture and fixtures	Surplus, former period
Depreciation—bad debts	Salaries of watchmen
Power	

# SOLUTION

## JOHN DOE & COMPANY, INC.

### Statement of Trading and Profit and Loss, and Surplus Account.

....., 19.. to ....., 19.., inclusive	
GROSS SALES: .....	\$xx
Less: Return Sales .....	\$xx
Allowances .....	xx
	xx
Trade Discount .....	\$xx
	xx
Freight—Outward .....	\$xx
Cartage—Outward .....	xx
	xx
Net Sales .....	\$xx
COST OF GOODS SOLD:	
Opening Inventory, Finished Goods .....	\$xx
Plus: Cost of Manufacture:	
Direct Costs:	
Opening Inventory, Raw	
Material .....	\$xx
Purchases, Raw Material .....	\$xx
Less: Allowances .....	xx
	\$xx
Trade Discount .....	xx
	\$xx
Freight—Inward .....	\$xx
Cartage—Inward .....	xx
	xx
	\$xx
Less: Closing Inventory,	
Raw Material .....	xx
Raw Material consumed	
in Manufacture .....	\$xx
Productive Labor .....	xx
	\$xx
Total Direct Cost .....	\$xx
Overhead:	
Unproductive Labor .....	\$xx
Power .....	xx
Repairs—Machinery .....	xx
Storage—Raw Material .....	xx
Factory Expense .....	xx
Insurance—tools .....	xx
Insurance—merchandise .....	xx
Depreciation—tools .....	xx
Depreciation—machinery .....	xx
Depreciation—patterns .....	xx
Depreciation—patents .....	xx
Total overhead .....	xx
Total Manufacturing	
Costs .....	\$xx
Deduct: Increase in Inventory,	
Work-in-Process:	

Inventory at End of Year ....	\$xx
Less: Inventory at Beginning	
of Year .....	xx
Increase in Inventory .....	xx

### Profit and Loss Statement (Continued)

Less: Closing Inventory, Finished'	
Goods .....	xx
	\$xx
Cost of Goods Sold .....	xx
GROSS PROFIT .....	\$xx

### SELLING AND ADMINISTRATION EXPENSES:

Selling Expenses:	
Salesmen's Salaries .....	\$xx
Selling Commissions .....	xx
Salesmen's Traveling Expenses...	xx
Total Selling Expenses .....	\$xx
Administration Expenses:	
Officers' Salaries .....	\$xx
Clerks' Salaries .....	xx
Commissions for Purchases .....	xx
Stationery and Printing .....	xx
Telegrams and Telephones.....	xx
Postage .....	xx
Traveling Expense for Buying....	xx
Taxes—Personal .....	xx
Depreciation—Bad Debts .....	xx
Depreciation—Furniture	
and Fixtures .....	xx
Collection and Exchange .....	xx
Bonding of Office Employees.....	xx
Directors' Fees .....	xx
Interest on Bonds .....	xx
Interest—General .....	xx
Upkeep, Taxes and Interest	
on Real Estate .....	xx
Salaries of Watchmen .....	xx
Total Administration	
Expenses .....	xx
Total Expenses .....	xx
	\$xx

### MISCELLANEOUS INCOME:

Cash Discounts Gained .....	\$xx
Income from Real Estate .....	xx
Total Miscellaneous Income .....	xx

NET PROFIT .....	\$xx
SURPLUS, BEGINNING OF PERIOD (i.e.,	
Surplus, Former Period) .....	xx
TOTAL SURPLUS .....	\$xx

### COMMENTS

Gross Sales.—Consideration is first given to the gross return—that is, to the sales. It may be desirable to state the sales as one gross figure, or it may, in some circumstances, be advisable to segregate the sales into classes of merchan-

**Profit and Loss Statement** (Continued) dise or into other units. The proposition merely gives us sales as one item, and the former is therefore required. As a direct deduction from Gross Sales, it is necessary to state Return Sales, Allowances, etc. An abnormal percentage of "returns" and "allowances" might indicate possible faulty manufacture, or it may be attributed to "padding" of orders by salesmen, or other reasons. In any event, it indicates whether or not there is necessity for investigation. Trade Discounts are considered in connection with Sales, since they operate to adjust a fictitious selling price to the true selling price. Freight and Cartage Outward are also direct deductions from Selling Price, since, presumably, the cost of delivery to the customer has been added directly to the selling price of the merchandise itself. In order to arrive at the true selling price of the merchandise, it is necessary to eliminate the portion of the ostensible selling price representing such delivery charges. After making allowance for all of these deductions, we have a figure which represents Net Sales.

**Cost of Goods Sold.**—Offsetting the Net Sales, we find it necessary to know the cost of the actual merchandise which has been sold. As in the case of Sales, it may be desirable to segregate the Cost of Goods Sold into classes. The proposition, however, does not require that it be done. Comparison between Sales and Cost of Goods Sold will enable the management to know whether or not it is necessary to increase the selling price—that is, whether the margin of gross profit is high enough.

Cost of Goods Sold is derived as follows:

Opening Inventory	
Plus Manufacturing Costs	
Gives Total to Account for	
Less Material Still on Hand (Closing Inventory)	
Leaves Cost of Material Going out of Our Possession ( <i>i. e.</i> , Cost of Goods Sold).	
It will be noted that the "Cost of Goods Sold" section of the statement is arranged so that the following features stand out:	
Opening Inventory, Finished Goods	\$xx
Plus: Manufacturing Costs:	
Direct Costs	\$xx
Overhead	xx
	—
Total Manufacturing Cost	\$xx
Less: Increase in Inventory of	
Work-in-Process	xx
	—
	xx
	\$xx
Less: Closing Inventory, Finished Goods	xx
	—
Cost of Goods Sold	\$xx

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The proposition contains only two items in respect to inventory—that is, "Increase in inventory" and "Raw Material." For the purposes

of this article an analysis has been made, and the component elements are shown. The proposition asks for "Cost of Manufacture." Cost of manufacture can not be given unless separation is made between inventories of finished goods, of work-in-process, and of raw material.

Allowances serve to reduce the gross purchase cost of merchandise. Trade Discount is deducted from Purchases for the reason that it is an adjustment of ostensible purchase price to true purchase price. Freight and Cartage Inward are added to Purchases on the theory that the purchased material is of value only when it has reached the place where it will be used; hence, the cost of getting it there is an addition to the original purchase cost.

Manufacturing Cost is divided into three elements—Material, Labor, and Overhead. By "Material" is meant the direct raw material used in manufacture; Productive Labor means only that labor directly used in the productive processes. The two combined are known as Prime or Direct Cost.

Overhead means all general factory costs other than direct material and productive labor. It is of interest to know the ratio between direct, or prime, cost (Material and Labor) and indirect cost (Overhead), and for that reason separation has been made in the solution.

The nature of "Overhead" items will be understood by consulting the statement. It is sometimes desirable, however, that the factory operating officials be charged only with *operating* items directly under their control. Statements will therefore be found which consider insurance, depreciation, etc., as a general administration cost rather than as a factory overhead expense. However, this procedure is adopted merely as an operating matter, and follows what has already been said in the early part of this article—that the accountant must apply his own common sense to the particular set of conditions with which he is dealing. There can be no question that insurance on factory equipment and stock, depreciations, etc., are actually part of the manufacturing cost.

In connection with Insurance on Merchandise, however, it might be that if the finished stock were under the jurisdiction of the general office, such insurance would be an administrative rather than an overhead cost.

Another item of interest in connection with this section of the statement is Turnover; that is, the number of times stock moves during a

period. It is ascertained by dividing Cost of Goods Sold by average inventory, and is usually analyzed with care.

**Gross Profit.**—Net Sales less Cost of Goods Sold gives a figure called "Gross Profit."

**Selling Expense.**—Selling Expense should not be confused with Cost of Goods Sold. The latter embraces the costs of the actual merchandise sold, including purchase cost, cost of conveying inward, and cost of conversion. Selling Expense, on the other hand, embraces all costs of making sales, and includes items of the nature of those shown in the solution, under that caption.

**Administration Expense.**—Administration Expense is interpreted to mean those costs which do not classify under Cost of Goods Sold or Selling Expense. Administrative expenses are sometimes subdivided as between Capital Expense and General Expense. The term "Capital Expense" is used to indicate those expenses which arise through not having sufficient capital, or not having proper facilities, as is the case when interest is paid on borrowed money, or when rent is paid for leased facilities; those expenses which arise through the necessity of converting capital from one form to another, as when discount is allowed customers for prompt conversion of an account receivable into cash; and those direct losses of, and charges against, capital, such as depreciation and taxes. The proposition, however, requires no distinction between general and capital expenses, and the solution has shown none.

It is not known whether the watchmen were employed for the office or the factory. If the latter, they would be classed as factory overhead. It is assumed that Upkeep, etc., on Real Estate refers to the real estate, the income of which is shown under the caption "Miscellaneous Income."

**Miscellaneous Income.**—Cash Discounts are not to be treated as are Trade Discounts, since Cash Discounts are not adjustments of selling or purchase price, but depend entirely upon the possession of sufficient capital in cash form to enable creditors' bills to be met promptly. They are therefore classed as income.

If the real estate were a venture outside of the regular business, it might be permissible to show the upkeep, taxes, interest, etc., thereon, as an offset to Income on Real Estate in a separate section of the statement.

**Net Profit.**—The Net Profit consists of Gross Profit less Selling and Administration Expenses, plus Miscellaneous Income.

**Surplus.**—To the Net Profit for the current

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period is added the balance of surplus from the former period, resulting in Total Surplus as at the date of the statement.

**Profit and Loss Statement**  
(Continued)

In conclusion, a word of caution is advisable. Statements to be clear must present basic facts. A statement loaded up with too much detail is hard to understand. Careful study will often indicate a simpler method of presentation. If, however, detailed facts are required, the policy of presenting facts in summary, condensed form should be considered, with amplification of the various summary items by supporting schedules showing details with as much minuteness as may be desirable. Even in the small proposition given here, such a procedure would have its advantages. The use of a little judgment, in connection with an understanding of what information a particular situation demands, will accomplish wonders when preparing accounting reports and statements.

It isn't the work we intended to do,  
Nor the work we've just begun  
That puts us right on the ledger sheet:  
It's the work we've really done.

*The Job  
of a  
Man*

Our credit is built on the things we do,  
Our debit on things we shirk;  
The man who totals the biggest plus  
Is the one who completes his work.

Good intentions do not pay bills,  
It's easy enough to plan;  
To wish is the play of an office boy,  
To do is the job of a man.

—System.

## EVENING CLASSES

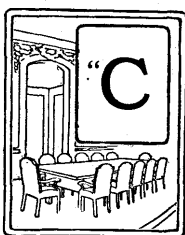
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AN I test the probable effectiveness of my own letters?" This is a question which often occurs to a business man or woman. This article attempts an affirmative answer. Several of the points brought out are suggested by a recent article in *Postage*.

You can appraise every letter that you write from both the positive and the negative view-points; that is, you can check up its desirable qualities and its undesirable qualities by answering honestly the following questions:

1. Does my letter show concentration on one definite business purpose? Many letters are filled with scraps of unrelated, or remotely related, material, so that the reader is likely to get a confused impression as to the purpose of the letter. Make your letter express one central idea.

2. Does my letter show careful preliminary planning? Many letters are illogical and inconsistent, in that they do not move steadily ahead from beginning to end. Make sure that your letter follows a definite plan of development.

3. Is my letter correctly and completely constructed as to sentences and paragraphs? Many letters contain sentences that are faultily constructed, and paragraphs that are either too long or too short. Make sure that your letter is free from grammatical errors and rhetorical infelicities.

4. Do the words and phrases in my letter produce the effect of simplicity and dignity of style? Many letters are wordy, in that they are full of rambling, heavy, or stereotyped words and phrases. Express yourself simply and directly.

5. Is my letter clear, readable, and interesting? Many letters are obscure in meaning and dry and uninteresting in style. Test your letters in these respects by putting yourself in the reader's place.

6. Is my letter vigorous and forceful? Many letters do not command and hold attention, because of poor arrangement of content or ineffective choice and arrangement of words and phrases. Read your letter over and determine whether it possesses "punch."

7. Does my letter make a convincing appeal to the reason of the reader? Many letters are filled with buncombe, or with observations and declarations that prevent

a meeting of the minds of the writer and the reader on the matter under discussion. Ask yourself whether your letter, if written to you, would stimulate action.

8. Does my letter anticipate and reveal the probable view-point of the reader? Many letters give expression exclusively, or chiefly, to the feelings and ideas of the writer, with only an incidental, if any, attempt to adjust the content and the tone to the interests of the reader. Combine the "you" and the "I" or "we" view-points.

9. Does my letter accurately reflect a sound, far-sighted business policy? Many letters, because of the haste with which they are dictated, give an entirely erroneous impression of the policy of a concern. Use good judgment in what you write.

10. Is my letter so courteously worded that it will help to build up good-will? Many letters are so tactlessly expressed that, if they do not make the reader actually angry, they are likely to produce a feeling of irritation. Be tactful and courteous in every letter you write.

The following letters exemplify all of the above qualities—they were productive letters:

You are worth fifty thousand dollars, if you earn twenty-five hundred dollars a year. It takes that much to produce an income of twenty-five hundred dollars at five per cent.

What is your house worth? Five thousand dollars, possibly more. You insure *that*, don't you?

If you do not insure your house, you carry a risk of five thousand dollars. If you do not insure your life, your wife and children carry a risk of fifty thousand dollars.

If you should die without insurance, your wife and children would be deprived of your earning capacity.

Do you realize what it would mean to them to be suddenly deprived of twenty-five hundred dollars a year?

A five-minute conference with me will be a good business investment for you. Mail the enclosed card, telling me when to call.

Will you permit me to trespass upon your good nature for the fraction of a minute?

I should greatly appreciate your letting me know, by means of the

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enclosed stamped postal card, whether you wish to have your name remain on our announcement and circular files. All I ask you to do is to write "Yes" or "No" on the postal card, sign your name, and mail the card.

It may be that you have already told some one in our organization your wishes in this matter, and that we have made a filing error. If this is the case, please accept my apologies—we have been growing very fast—and be assured that upon receipt of your postal card I will personally charge myself with seeing that your wishes are recorded and respected.

Please do not fail to mail the card.

Last summer we equipped six Scout camps on Lake Kanohwahke in the Palisades Interstate Park. The average attendance throughout the camping season was five hundred. These camps are being enlarged to accommodate seven hundred and fifty Scouts at one time. The camps were used extensively for holiday and week-end outings during the past winter.

New York City boys need Scout training, and they need to get to the country. The camps are so conducted as to give intensive training in scouting in addition to the vacation which the boy gets from city life and city streets. Scouting, under camp conditions, helps boys to do their part in winning the war.

The boys pay their own transportation to and from camp, and deposit enough money to cover the cost of food. Many Scouts earn their camp expenses.

We provide all tents, kitchen utensils, boats, etc.; pay the rent on buildings and the salaries of the chief campmaster, of a physician, and of councilors (one for every twenty-five boys); and provide special instructors.

A budget of at least twelve thousand five hundred dollars is required for our camps for 1918. We need your help. Will you not contribute twenty-five dollars, or any amount that you can invest in this boy enterprise?

We appreciate the many demands made upon you at this time, but we feel that this opportunity to give the boys of New York City Scout training, in order to develop them into useful citizens, must make a very special appeal to you.

"The Legal Mind in Business"—this is the timely subject on which — will lecture on —,



at ———. You realize—every able accountant and business executive realizes—the tremendous importance of developing the reasoning faculties.

Therefore, this lecture of Mr. ———'s will be of great value to you in view of the interest you have already expressed in Accountancy and Business Administration. Attend and bring a friend or two if you wish. There will, of course, be no obligation for you to enroll in any of the March Accountancy classes which Mr. ———'s lecture will introduce.

Though we have sent you a copy of the Bulletin of our Accountancy Course, as you requested, there may be some matters that you would like to discuss with us personally. Call and see us. Ask for me, or if I am not in, for any one of my associates.

In conclusion, you can improve every one of your letters—make it achieve its particular purpose and build good-will besides—if you will study and apply the principles set forth in the letter-writing test contained in this article.

## Systematic Reading

**P**LAN to do a little reading this spring. Keep up with the news of the day, of course, but set yourself to do some reading that is serious and worth while. Newspapers are good; they are necessary and important, but they need not be read word for word, from beginning to end, from head-line to bond advertisement. Get the gist of the news; read in detail what is of especial interest and importance, and let the rest go.

Try some biography. Successful men who have been asked as to what reading they recommend invariably suggest biography and autobiography. Read Grant's Memoirs, and learn something of the man who so successfully guided the military destiny of the Union during the last years of the Civil War. Read Roosevelt's Autobiography, and live with him through the stirring years in which he was so conspicuous a figure. Read Ben. Franklin's Autobiography and the Memoirs of Napoleon—men who left strong impressions on the ages in which they lived. Biography and Autobiography, after you have delved into them a bit, may prove to be the most fascinating reading that you have ever undertaken. Others have found it so.

It is trite to say that History is now in the making: Read some of the current books on the war. Read

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also something of the history of the nations that, besides the United States, participated in the tremendous struggle. Learn how France went through her revolution and how she had years of internal and of external war before she became the great Republic that she is today. Learn how England, after passing through years of internal struggle, became the great Democracy that she now is. Read of the founding of the late German Empire, as well as of its disintegration. You will find not only pleasure in this, but you will get a perspective that will enable you to understand better the events of world-wide importance that are now occurring.

Whatever it may be—travel, biography, history, fiction—plan now to read a little of it. You will enjoy it as a pleasant diversion from your work, and above all you will get a broader and better outlook on men and events. Arrange your time during the coming months so you can do at least a little worth-while reading. It will pay.

**MICHAEL ALBERT NORELLI**, of Pace Institute, has resigned his position with the Great Atlantic and Pacific Tea Company, at 150 Bay Street, Jersey City, and accepted one with the American Red Cross, at 389 Fifth Avenue.

**GEORGE H. PENISTON**, who has attended Pace Institute for a year, has resigned his position as general paymaster and cashier with the Wright-Martin Aircraft Company, of New Brunswick, and accepted one as accountant with the United States Shipping Board, at 51 Broadway.

**WILLIAM C. RICE**, who has attended Pace Institute for one year, has recently accepted a position with the McCall & Brownell Company, in the Aeolian Building, on 42nd Street. Mr. Rice was formerly with Bowers & Suffern, accountants, at 120 Broadway.

**HENRY V. SHERIDAN**, who was with the Supply Section Auditing Branch, at Washington, D. C., as field auditor on construction, has accepted a position with the Army Supply Base Company, at 59th Street and First Avenue, Brooklyn. Mr. Sheridan has been attending Pace Institute for about one year.

**H**ORATIO N. DRURY made the commencement address to the graduating class of the Commercial High School, Brooklyn, on January 29th. Mr. Drury took as his subject, "Making Good in Modern Business," which he treated from the view-point of present-day needs and requirements.

Among the points brought out were that a young man just entering business should select the kind of work for which he is temperamentally adapted; that he should try, by means of observation and study, to transfer himself eventually from the status of routine worker to that of executive or adviser; that he should keep himself physically fit as well as mentally fit; that he should realize that the modern conception of business is service—a conception that he should try to exemplify constantly in his attitude and his conduct. Mr. Drury cited various illustrations in support of the above points and told many illuminating anecdotes.

**HARRY A. FINCK**, a member of Pace Institute, has accepted a position as senior accountant with Alfred J. Stern, accountant, at 346 Broadway.

**CLARENCE O. HUFNAGEL**, a student at Pace Institute, has recently accepted a position with the Globe Indemnity Company, at 45 William Street.

**EDWARD J. WEBER**, who is attending Pace Institute, has accepted a position as correspondent with the Western Union Telegraph Company, at 24 Walker Street.

**JAMES T. MACMURRAY**, who has completed one semester at Pace Institute, has resigned his position with the United States Food Administration and accepted one as bookkeeper with The Display Company, at 71 West Twenty-third Street.

**ALFRED F. SAUTER**, who was with Thomas Cook & Son, at 245 Broadway, has accepted a position as accountant with the Wm. C. Hard Company, at 137 Greene Street. Mr. Sauter is studying accountancy and law at Pace Institute.

**HOWARD WELLER**, who was with Pace & Pace for two years, has recently accepted a position as junior accountant with Alexander Hunter & Company, at 55 Liberty Street. Mr. Weller has completed two years' study at Pace Institute.

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